



# AGENDA REQUEST FORM

## THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

ITEM No.:  
**EE-5.**

MEETING DATE	2019-07-23 10:05 - Regular School Board Meeting
AGENDA ITEM	ITEMS
CATEGORY	EE. OFFICE OF STRATEGY & OPERATIONS
DEPARTMENT	Procurement & Warehousing Services

<b>Special Order Request</b>	
<input type="radio"/> Yes	<input checked="" type="radio"/> No
Time	
<b>Open Agenda</b>	
<input checked="" type="radio"/> Yes	<input type="radio"/> No

**TITLE:**  
Recommendation to Approve Second Amendment to Agreement - 16-057V - Group Disability Coverage for School Board Employees

**REQUESTED ACTION:**  
Approve the Second Amendment to Agreement for the above Request for Proposal (RFP). Contract Term: January 1, 2020 through December 31, 2020, 1 Year; User Department: Benefits; Award Amount: \$3,500,000; Awarded Vendor(s): Metropolitan Life Insurance Company; Small/Minority/Women Business Enterprise Vendor(s): Moore Financial Services, Inc.

**SUMMARY EXPLANATION AND BACKGROUND:**  
RFP 16-057V - Group Disability Coverage for School Board Employees was awarded to Metropolitan Life Insurance Company on November 17, 2015. The original term of this contract was from January 1, 2016 through December 31, 2018 with two (2) additional one (1) year renewal options. This request is to approve the Second Amendment to Agreement and the final contract renewal for the term as stated in the Requested Action. The Second Amendment to the Agreement has been reviewed and approved as to form and legal content by the Office of the General Counsel.

**SCHOOL BOARD GOALS:**  
 Goal 1: High Quality Instruction   
 Goal 2: Continuous Improvement   
 Goal 3: Effective Communication

**FINANCIAL IMPACT:**  
The estimated financial impact to the District for 2020 will be approximately \$3,500,000. The funding for this contract will come from the Fringe Benefits Clearing Account. The financial impact represents an estimated contract value; however, the amount authorized will not exceed the estimated contract award amount.

**EXHIBITS: (List)**  
(1) Executive Summary (2) Second Amendment to Agreement (3) Approved ARF 8-21-2018 RSBM EE-4 (4) Approved ARF 11-17-2015 AOSM 6

**BOARD ACTION:**  
**APPROVED**  
(For Official School Board Records Office Only)

SOURCE OF ADDITIONAL INFORMATION:	
Name: Dr. Dildra Martin-Ogburn	Phone: 754-321-3100
Name: Mary C. Coker	Phone: 754-321-0501

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**  
**Senior Leader & Title**

Maurice L. Woods - Chief Strategy & Operations Officer

Signature  
*Maurice Woods*  
7/16/2019, 3:24:44 PM

Approved In Open Board Meeting On:  
By:

**JUL 23 2019**  
*Leatha P. Brinkworth*  
School Board Chair

## UPDATED EXECUTIVE SUMMARY

### Recommendation to Approve Second Amendment to Agreement 16-057V – Group Disability Coverage for School Board Employees

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#### **Introduction**

**Responsible: Procurement & Warehousing Services (PWS)**

This request is to approve the Second Amendment to the Agreement and final renew for the above-referenced Request for Proposal (RFP) between The School Board of Broward County, Florida (SBBC), and Metropolitan Life Insurance Company for a period of one (1) year, beginning January 1, 2020 through December 31, 2020. Upon approval of this agenda item, District employees will continue to benefit from Disability Plan coverages. The requested spending authority is ~~\$3,400,000~~ **\$3,500,000**.

#### **Goods/Services Description**

**Responsible: Benefits**

Metropolitan Life Insurance Company is a leading provider of insurance products and other financial services. Through its subsidiaries and affiliates, MetLife offers a product suite spanning life, health, credit, and pensions, as well as provide and utilize data and best practices to offer recommendations to employers which could enrich their benefits plans.

#### **Procurement Method**

**Responsible: PWS**

The procurement method chosen was through a competitive solicitation, which is required by Purchasing Policy 3320, Part V, Rule A, and Florida Administration Code 6A-1.012(15).

The Superintendent's Insurance & Wellness Advisory Committee (SIWAC) held its annual contract renewal meeting on May 14, 2015. The District's current disability carrier, Metropolitan Life Insurance Company (MetLife), submitted a 2016 renewal requesting a thirty-three (33) percent rate increase. During negotiations, MetLife agreed to reduce its requested rate increase to twenty-five (25) percent and finally to twenty (20) percent for 2016. At the conclusion of negotiations, the SIWAC voted to accept and recommend to the Superintendent the twenty (20) percent rate increase. MetLife's initial contract period expires on December 31, 2015. The current language allows for two (2) additional one (1) year renewals. MetLife's renewal request would have been its first renewal.

After further review by Benefits' staff, it was decided that an RFP should be released in order to potentially receive more competitive pricing for group disability coverage; therefore, a draft RFP 16-036V was prepared by staff and subsequently reviewed in a public meeting by the SIWAC on June 4, 2015. Procurement & Warehousing Services released the above-referenced RFP via the Onvia DemandStar System on June 18, 2015. Proposals were due on July 23, 2015.

SBBC received two (2) proposals in response to the above referenced RFP, one (1) of which was found to be non-responsive. As permitted by Section 6A-1.012(12)(c), F.A.C, which states in part, "If only one responsive proposal is received, the Committee will proceed without scoring the one (1) responsive proposal and may negotiate the best terms and conditions with that sole proposer or may recommend the rejection of all proposals."

On September 1, 2015, staff submitted Board Item E-1, Recommendation to Reject All Proposals for RFP 16-036V – Group Disability Coverage for School Board Employees. No bid tabulations were submitted as a part of September 1, 2015, per Florida Statute 119/071 (b)(3): "If an agency rejects all bids, proposals, or replies submitted in response to a competitive solicitation and the agency concurrently provides notice of its intent to reissue the competitive solicitation, the rejected bids, proposals, or replies

**Recommendation to Approve Second Amendment to Agreement  
16-057V – Group Disability Coverage for School Board Employees  
July 23, 2019 Board Agenda  
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remain exempt from s. 119.07 and s. 24(a), Art. 1 of the State Constitution until such time as the agency provides notice of an intended decision concerning the reissued competitive solicitation or until an agency withdraws the reissued competitive solicitation.

A bid, proposal, or reply is not exempt for longer than twelve (12) months after the initial agency notice rejecting all bids, proposals, or replies.” Subsequent to the School Board’s approval of the above-referenced item on September 1, 2015, the RFP was rereleased under RFP 16-057V, Group Disability Coverage for School Board Employees, via the Onvia DemandStar System from September 4, 2015 through October 8, 2015. Staff from Procurement & Warehousing Services contacted potential Proposers to notify them of the RFP’s re-release. Six hundred and fifty-eight (658) vendors were notified through Oniva Demandstar, twenty-two (22) vendors downloaded the RFP. Proposals were due on October 8, 2015. The District received two (2) proposals in response to the RFP:

- Metropolitan Life Insurance Company
- UNUM Life Insurance Company of America

In a public meeting held on November 4, 2015, the SIWAC reviewed and evaluated proposals from the above-referenced companies, based on Experience and Qualifications, Scope of Services, Cost and S/M/WBE participation.

As a result of the scoring and subsequent negotiations, the SIWAC voted to recommend to the Superintendent of Schools, the following award:

- Metropolitan Life Insurance Company

On November 15, 2015, the contract for RFP 16-057V- Group Disability Coverage for School Board Employees was awarded to Metropolitan Life Insurance Company (MetLife). The term of the initial Agreement was January 1, 2016 through December 31, 2018.

On May 16, 2018, SIWAC held its annual contract renewal meeting. MetLife originally requested an eleven (11) percent renewal increase; however, through an analysis of the experience data, the requested renewal increase was reduced to a nine percent increase for plan year January 1, 2019 through December 31, 2019. The SIWAC voted unanimously to recommend approval of MetLife’s first one (1) year renewal option to the Superintendent of Schools.

On May 8, 2019, SIWAC held its annual contract renewal meeting. MetLife proposed a zero (0) percent increase for 2020. The Committee voted unanimously to recommend approval of the second and final one (1) year renewal option to the Superintendent of Schools.

This request is to approve the Second Amendment to the Agreement from January 1, 2020 through December 31, 2020.

**Financial Impact**

**Responsible: PWS and Benefits**

The estimated financial impact to the District for 2020 will be approximately ~~\$3,400,000~~ **\$3,500,000**. The funding for this contract will come from the Fringe Benefits Clearing Account. The financial impact represents an estimated contract value; however, the amount authorized will not exceed the estimated contract award amount.

## SECOND AMENDMENT TO AGREEMENT

THIS SECOND AMENDMENT TO AGREEMENT is made and entered into as of this 23<sup>rd</sup> day of July, 2019, by and between

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**  
(hereinafter referred to as "SBBC"),  
a body corporate and political subdivision of the State of Florida,  
whose principal place of business is  
600 Southeast Third Avenue, Fort Lauderdale, Florida 33301

and

**METROPOLITAN LIFE INSURANCE COMPANY**  
(hereinafter referred to as "METLIFE"),  
having its principal place of business at  
200 Park Avenue  
New York, New York 10166

**WHEREAS**, SBBC issued a Request for Proposal identified as RFP 16-057V – Group Disability Coverage for School Board Employees, dated, September 4, 2015 and amended by Addendum Number One, dated September 15, 2015 and Addendum Number Two dated, September 22, 2015 and Addendum Number Three, dated September 29, 2015 and Addendum Number Four, dated October 2, 2015 (herein referred to as 'RFP'), which are incorporated by reference herein, for the purpose of receiving proposals for Group Disability Coverage for School Board Employees; and

**WHEREAS**, METLIFE offered a Proposal, dated September 17, 2015 (hereinafter referred to as "Proposal"), which is incorporated by reference herein, in response to the RFP; and

**WHEREAS**, SBBC and METLIFE entered into an Agreement dated November 17, 2015 (hereafter "Agreement") for Group Disability Coverage for School Board Employees under RFP 16-057V; and

**WHEREAS**, SBBC and METLIFE entered into the First Amendment to Agreement dated August 21, 2018 for Group Disability Coverage for School Board Employees under RFP 16-057V

**WHEREAS**, the Parties mutually desire to amend certain provisions of the Agreement.

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants contained herein and the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

## ARTICLES

1.01 **Recitals.** The Parties agree that the foregoing recitals are true and correct and that such recitals are incorporated herein by reference.

2.01 **Term of Agreement.** The November 17, 2015 Agreement is hereby extended from January 1, 2020 through December 31, 2020, unless terminated earlier pursuant to Section 3.05 of the Agreement.

3.01 **Premiums.** The premium rates for the period January 1, 2020 through December 31, 2020 shall be:

Core Plan: 0.477 cents per \$100.00 of insured payroll  
Buy-Up Plan: 0.242 cents per \$100.00 of insured payroll

4.01 **Order of Precedence Among Agreement Documents.** In the event of conflict between the provisions of the Agreement and the provisions contained herein, the provisions of the following documents shall take precedence in this order:

- a) This Second Amendment to Agreement; then
- b) The First Amendment to Agreement dated August 21, 2018; then
- c) The Agreement dated, November 17, 2015; then
- d) Addendum Number Four dated, October 2, 2015; then
- e) Addendum Number Three dated, September 29, 2015; then
- f) Addendum Number Two dated, September 22, 2015; then
- g) Addendum Number One dated, September 15, 2015; then
- h) RFP 16-057V – “Group Disability Coverage for School Board Employees; then
- i) The Proposal submitted by METLIFE in response to the RFP.

5.01 **Other Provisions Remain in Force.** Except as expressly provided herein, all other portions of the Agreement remain in full force and effect.

6.01 **Authority.** Each person signing this Second Amendment to Agreement on behalf of either Party individually warrants that he or she has full legal power to execute this Second Amendment to Agreement on behalf of the Party for whom he or she is signing, and to bind and obligate such Party with respect to all provisions contained in this Second Amendment to Agreement.

**IN WITNESS WHEREOF,** the Parties hereto have made and executed this Second Amendment to Agreement on the date first above written.

FOR SBBC

(Corporate Seal)



THE SCHOOL BOARD OF BROWARD  
COUNTY, FLORIDA

By Heather P. Brinkworth  
Heather P. Brinkworth, Chair

ATTEST:

Robert W. Runcie  
Robert W. Runcie, Superintendent of Schools

Approved as to Form and Legal Content:

[Signature] 06/19/19  
Office of the General Counsel

**FOR METLIFE, INC.**

(Corporate Seal)

Metropolitan Life Insurance Company

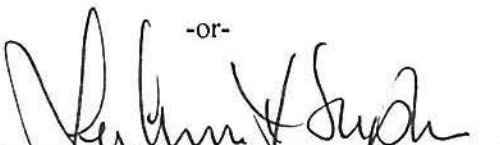
ATTEST:

By   
Signature

\_\_\_\_\_  
, Secretary

Printed Name: Michael McDermott

Title: Vice President-National Accounts

 -or-  
Witness

  
Witness

STATE OF GA

COUNTY OF FULTON

The foregoing instrument was acknowledged before me this 7<sup>th</sup> day of June, 2019 by MICHAEL McDERMOTT of \_\_\_\_\_  
Name of Person  
\_\_\_\_\_ on behalf of the corporation/agency. He/She is personally known to me or produced \_\_\_\_\_ as identification and did/did not first take an oath. \_\_\_\_\_  
Type of Identification

My Commission Expires:

  
Signature – Notary Public

(SEAL)

\_\_\_\_\_  
Printed Name of Notary

Susan Brewton Notary Public Fulton County, Georgia My Commission Expires August 31, 2021
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\_\_\_\_\_  
Notary's Commission No.